

June 12, 2018 by [Rose Hoban](https://www.northcarolinahealthnews.org/author/rosehoban/) (<https://www.northcarolinahealthnews.org/author/rosehoban/>).

This year's budget featured an unusual process, and millions in earmarks for constituents back home.

By Rose Hoban and Jared Weber

In years past, North Carolina Health News has published a table tracking the progress of the state budget as it makes its way through the General Assembly, first in one chamber, then to the other and finally, to the negotiated conference budget in the third column. This has happened in the long legislative work sessions (odd-numbered years), when lawmakers hashed out the biennial state budget and also in the short session (even-numbered years), when legislators returned to Raleigh to update the budget for the second year.

But this year's budget process at the General Assembly was a radical departure from prior years. Instead of each chamber presenting its ideas for spending and then hashing it out, with lobbyists and advocates all asking for their piece of the pie, lawmakers from the Senate and the House of Representatives negotiated the budget for the second year of the biennium out of sight. Then legislators used a parliamentary procedure colloquially known as "gut and amend," where they stripped the prior language out of one bill which had already been through committee hearings and votes in each chamber and dropped in the entire 266-page budget.

Thus, an innocuous bill about insurance regulations morphed into the state's FY 2018-19 budget.

Because there are no prior versions to compare to, instead, we have compared this year's final budget (right-hand column) to the [final adopted 2017-19 budget created last year](https://www.northcarolinahealthnews.org/2017/06/30/20915/) (<https://www.northcarolinahealthnews.org/2017/06/30/20915/>) (left-hand column).

The FY 2018-19 budget also departed from prior budgets in another, significant way – the extraordinary amount of earmarks, i.e. special, one-time funds given to the folks back home. Those special funds, also known as "pork" or "bringing home the bacon," were largely absent from the state budget after Republicans took control of the General Assembly in 2010. But

earmarks made their reappearance in the 2017 budget, and this year's bill is rife with one-time spending back home during a tough election cycle. They number in the dozens of appropriations, ranging from \$7,500 to a food pantry in Mt. Olive to \$750,000 to a children's center in Surry County totaled more than \$5.9 million of spending added to the Health and Human Services budget alone, not to mention throughout the rest of the budget.

These earmarks are marked in dark blue text, while last year’s earmarks are noted in dark red text. We’ve included links to stories which flesh out some of the programs contained in the budget.

Please feel free to let us know if we’ve made a mistake or missed anything. We’ve combed through hundreds of pages and it’s likely something escaped our notice!

Final – as of June 2017	Final as of June 2018
CENTRAL MANAGEMENT AND SUPPORT	CENTRAL MANAGEMENT AND SUPPORT

<p>Orders the Department of Health and Human Services to cooperate with the state Chief Information Officer to coordinate all health information technologies policies and programs in the state. Goals include protection of health information privacy, use of electronic health records to improve patient health care coordination, coordination of the health information exchange, facilitation of research, early detection of outbreaks, etc.</p>	<p>Technical changes to DIT statute.</p>
<p>Cuts \$3.2 million in one-time funding each year for contracted services. Reductions are not to be taken from any contracts/agreements that are providing direct services or supporting the US DOJ Settlement/Transitions to Community Living Initiative. Total appropriation is \$24.24M, based on \$100.6M total requirement, Senate's total appropriation was \$32.7M based on \$152M in required funds.</p>	<p>Prohibits DHHS' management from using any salary reserve to create new staff positions or to increase the salary of existing jobs until the Division of Central Management and Support hires a director and staff to fulfill OPERA duties (detailed in 2017 budget, line 52).</p>
<p>Orders DHHS to cooperate with the state Department of Information Technology to create standards compatible with national standards, develop a state plan for compliance with federal IT standards, and incorporate data about patients who are aged, have behavioral health issues, and other underserved populations into state and national databases.</p>	
	<p>Orders the Division of Central Management and Support to continue implementing the Child Welfare ASSIST program established in 2014; orders DHHS to execute any required interagency agreements by October 2018. Appropriates \$250,000 in recurring funding, \$1M in one-time funding, for a total of \$1.25M for the 2019 Fiscal year.</p>

<p>Appropriates an additional \$200,000 in one-time funding each year for the Medication Assistance Program that provides assistance for people who are uninsured or underinsured and helps them obtain charity drugs from manufacturers.</p>	
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Earmarks \$386,667 in receipts to match federal funds for enhancing Medicaid Management Info System standards and allows for the creation of 10 positions dedicated to the project.	
Directs \$3,480,000 in new funds over the biennium for the IT projects above.	Adds \$1.5M to 2018-19 budget for information system services. \$1.25M is for Child Welfare ASSIST program (see also line 6), \$250,000 for enhancements to NC FAST to do better asset and income verification.
Directs \$350,000 from the federal Social Services Block Grant to be used specifically for the Big Brothers/Big Sisters program. This means the Social Services Block Grant has a total of \$4.2 million for all other competitive grants.	Provides \$50,000 in one-time funding for Second Harvest Foodbank of Northwest NC a Winston-Salem nonprofit to combat hunger. District represented by Rep. E Terry, Sen. P Lowe
Provides \$200,000 in one-time funding for Big Brothers, Big Sisters of Central Carolinas to support the Big Day at the Lake program. Agency located in district represented by Rep. Autry, Sen J Jackson	Provides \$500,000 in one-time funding for NeighborHealth Center, Inc., a Christian-based clinic that provides services to the growing number of people in Wake County who lack access to healthcare. Agency located in district represented by Rep. G Martin, Sen. J Chaudhuri
Provides \$50,000 in one-time funding for Boys and Girls Clubs of Wilmington. Agency located in district represented by Sen. M Lee, Rep. Deb Butler.	Provides \$50,000 in one-time funding for Hands of Hope Medical Clinic, a Yadkinville clinic that offers free medical care for uninsured patients. District represented by Rep. L Zachary, Sen. J Krawiec
Provides \$37,080 in one-time funding for Boys and Girls Clubs of Central Carolina (Sanford). Agency located in district represented by Rep. R Reives, Sen. R. Rabin	Provides \$35,000 in one-time funding for Give Kids a Smile, an ADA dental foundation program for free oral health care.
Provides \$20,000 in one-time funding for Boys and Girls Clubs of Greene County. Agency located in district represented by Rep. G Graham, Sen. D Davis	Provides \$25,000 in one-time funding for HealthQuest a free pharmacy located in Union County, to provide free prescription medicine to low-income and indigent persons. Agency located in district represented by Rep. D Arp, Sen. T Tucker

Provides \$50,000 in one-time funding for the Hands of Hope Medical Clinic in Yadkinville. Located in district represented by Rep. L Zachary, Sen. Joyce Krawiec	Provides \$30,000 in one-time funding for Wayne Action Team for Community Health (WATCH), a free clinic for uninsured Wayne County residents. District represented by Rep. L Bell, Sen. D Davis
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Provides \$125,000 in one-time funding to the Community Free Clinic. Located in district represented by Rep. L Johnson, Sen. P Newton	Provides \$25,000 in one-time funding for Ada Jenkins Center a community center that also to provide safety-net healthcare services and food assistance in Davidson County. District represented by Rep. J Bradford, Sen. J Tarte
Provides \$250,000 in one-time funding to the James Austin Health Center. Located in Rockingham County, represented by Rep. B Jones and Sen. P Berger	Provides \$250,000 in one-time funding for Free Clinic of Reidsville, provides care for uninsured Rockingham County residents. District respresented by Rep. K Hall, Sen. P Berger
	Provides \$600,000 in one-time funding for C.W. Williams Community Health Center, a federally funded health care center that provides services to people of Mecklenburg, to provide for building repairs and upgrades. District represented by Rep. B Carney, Sen. J Ford
	Provides \$100,000 in one-time funding for Onslow Community Ministries Inc, a basic service provider for the most vulnerable people of Onslow County, funding for renovation of the agency's soup kitchen. District represented by Rep. P Shepard, Sen. H Brown
	Provides \$7,500 in one-time funding for Make a Difference Food Pantry in Mount Olive pantry. District represented by Rep. J Dixon, Sen. Louis Pate
	Provides \$25,000 in one-time funding for Loaves and Fishes of Union County, a nonprofit, volunteer community food pantry located in Monroe. District represented by Rep. C Horn, Sen. T Tucker
	Provides \$50,000 in one-time funding for Backpack Ministry, Inc, an organization that partners with elementary schools to provide low-income children with meals. Many locations statewide.

Allots \$20 million in one-time funding and \$11.9 million in earned revenue for the creation of software to track child services case management that will be integrated into the NC FAST system. Allots \$179 million over two years in DHHS federal receipts to make the NC	
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FAST child welfare case management system happen.	
Sets aside an additional \$1.6 million annually from the federal Substance Abuse Prevention and Treatment Block Grant specifically for Durham's TROSA, a substance abuse treatment program. TROSA receives \$3.2 million from this block grant each year.	Sets aside \$6 million for Durham's TROSA to be used as grant-in-aid for the organization to develop a second facility in the Piedmont Triad. This is in addition to last year's appropriation of \$1.6 million to pay for treatment.
Appropriates \$1.9 million in annual funds and 32 positions in FY 17-18 and \$7.7 million in annual funds and 54 positions in FY 18-19 to provide ongoing maintenance for NC FAST. Over the two years, \$25.5 million in departmental receipts are to be directed toward this work.	Provides additional \$59,459 in state dollars and federal matching dollars to fund 2 positions for employees to create training and certification program for caseworkers who use NC FAST. Allows for these staff to be hired in the beginning of Feb, 2019.
Cuts \$7.7 million in the annual appropriation to Cape Fear Valley Medical Center to cover the costs of graduate medical education, while adding a one-time appropriation of up to \$3 million. Why? In the last budget cycle, this money was appropriated to offset losses to CFVMC due to its redesignation from an urban center to a rural one by CMS. But *new* changes in CMS policy means CFVMC will regain it's urban hospital designation at the beginning of the federal fiscal year in October.	
Orders DHHS to continue working with the Government Data Analytics pilot program, initiated in 2015, to get Medicaid analytics to generate information about population health, to optimize health care savings and efficiencies, and to create better health outcomes. Requires DHHS to comply with policies established in GS 143B-1385 Government Data Analytics Center statute.	
Appoints \$8.9 million in FY 17-18 and \$11.1 million in FY 18-19 to create new functions in the NC FAST computer system that helps it meet new federal requirements around privacy and fraud detection. Allows for the personnel costs of four people in each year.	

Also allocates \$1.9 million and 32 workers in continued funding in FY 17-18 and \$7.7 million in continued funding and 54 workers in FY 18-19 for continued operations of NC FAST, the DHHS system for signing beneficiaries up for services. New projects are coming online include	Reduces by \$181,202 in Low Income Home Energy Assistance Program Block Grant funds that were to be used for the development of integrated case management component noted in
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fraud detection (program integrity), Child Care Subsidy tracking and energy assistance programs.	2017 budget.
	Moves \$8.5 million from the Low Income Heating Energy Assistance Program Block Grant funds to the LIEAP program. No effect on the General Fund.
Updates existing statutes around the state's designated health information exchange that was created in 2015. The HIE aggregates and collects clinical and demographic data from hospitals, physicians, and other providers and the managed care organizations (prepaid health plans) that will be running Medicaid once the system changes from fee-for-service payment to managed care. Right now, MCOs only need to submit claims data. Providers are required to make a technical connection to the HIE to submit clinical and demographic patient data for all state funded / Medicaid services.	
Hospitals were required in an earlier statute to connect to the HIE, this clarifies the language and expands to other providers, requiring them to connect in order to be paid for any state funded / health services provided. Proposes a study by Department of Information Technology, State Health Plan and DHHS to better understand what data other types of providers collect and whether they have value for the HIE. Proposes a study to look at providers who currently don't collect clinical data, and see what's really needed. Providers of Medicaid services who have electronic records must connect by June 2018, LME-MCOs must connect by June 2019.	
Allows for DIT and DHHS to create a process for providers who are having trouble connecting to the HIE network to allow them to delay connection. Agencies requesting delay must make a presentation to DIT, DHHS about why they are delayed in connecting and expected timeline. Mandates that all connections be made by drop dead date of June, 2020. Requires providers to add patient demographic, clinical and data to the HIE network two times a day.	
Consistent with federal rules, exempts any disclosure of drug or alcohol abuse history with patient identifying information from the HIE.	

Continues the right for a person to opt out of having their information accessible through the HIE, changes statute around opt out capability for emergency services, which no longer applies.	
Orders DHHS and DIT to conduct a feasibility study to look at connecting providers and submitting encounter and claims generated in the State Health Plan for State Employees to the HIE, and stipulates what topics need to be addressed in the study. Report due to the DHHS, DIT and the state Treasurer's office to legislative committees. To be completed by April 2018.	
Requires LME-MCOs to comply with the data submission rules created in the budget.	
Orders DHHS to transfer \$3 million in one-time funds and \$1 million in annual funds to the Department of IT, Government Data Analytics Center to upgrade and support the maintenance and operations of the HIE.	
Orders DHHS and DIT to conduct a feasibility study to look at connecting providers and submitting encounter and claims generated in the State Health Plan for State Employees to the HIE, and stipulates what topics need to be addressed in the study. Report due to the DHHS, DIT and the state Treasurer's office to legislative committees. To be completed by April 2018.	
Appropriates \$250,000 in one-time funding to help DHHS information technology workers to improve security, including the removal of people's Social Security numbers from the system and replacing them with a unique ID number. This is a federal requirement set out by the Centers for Medicare and Medicaid Services and is required, by law, to be completed by April, 2019.	

Provides \$844,412 in recurring funding through the biennium and \$630,000 in one-time funding through the biennium for six contract IT workers to support the implementation and training for several new computer programs, such as HIV care database. Makes	
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allowance for six positions.	
Orders DHHS to spend \$1.2 million annually develop and launch better analytics for the Controlled Substances Reporting System. This includes creating the ability for the CSRS to talk to the NC HIE (see above), creating analytics to detect “behavior indicative of misuse, addiction or criminal activity,” including unusual prescribing patterns, and help providers improve prescribing practices.	
Orders that any data analytics upgrades be written and implemented in collaboration with the Government Data Analytics Center.	
Budgets \$3.6 million in federal monies in FY 17-18 and \$4.8 million in federal monies in FY 18-19 to replace the old case management computer programs used by several DHHS divisions, such as Services for the Blind. The money will also help get up and running with submitting invoices and getting paid online.	Moves \$85,924 in Social Services Block Grant federal funding into the Division of Services for the Blind.
Budgets \$100,922 in FY 17-18 and \$159,713 in FY 18-19 to improve counties’ ability to record and submit forms for federal and state reimbursement.	
Changes the DHHS Community Health Center grant program, limiting grants to community and rural health centers, local health departments, and school-based health centers that 1) provide primary and preventive services to medically indigent and uninsured populations, and 2) are intended to increase access to primary and preventive care services, including such things as creating new services or replacing facilities and equipment/ technology. Limits the size of individual grants to no more than \$150,000.	

Increases funding for Community Health Grants to FQHCs, Rural Health Centers, free clinics, etc. by \$7.5 million annually, also adds four positions on which DHHS is limited to \$200,000 in funding. Also allows for \$200,000 in administrative costs.	
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Establishes a Primary Care Advisory Committee to develop a process for grading applications: organizations contributing members to the Committee will include, the NC Cmty Health Center Assoc, the NC Assoc of Local Health Directors, the NC Assoc of Free and Charitable Clinica and the NC School-based Health Alliance, et al.	
Restricts grant recipients from using money to increase pay for management, supplant existing funds, such as federal funds, or finance any debt.	
Orders the Office of Rural Health to create standard quality and outcome metrics for grant recipients and require grant recipients to report on their outcomes.	
Budgets \$1.2 million annually for contract services to develop and roll out new software in the Controlled Substances Reporting System. Pays \$128,000 over the biennium for six people to do the work of maintenance and support of the system.	
Provides a total of \$3.6 million in one-time funding over the biennium, plus \$627,134 in annual funding starting in FY 18-19 to replace outdated computer applications used by DHHS. The money is also intended to develop online hospital/clinic/ provider licensure and renewal in the Division of Health Service Regulation and eliminate the current paper-based process. This also means the licensure information can be provided to the NC Tracks Medicaid billing system.	
Creates \$1 million in annual funding and \$3 million in one-time funding to upgrade the Health Information Exchange (where hospital records talk to one another to track patient care and billing). The funds will also provide ongoing support for the HIE's database maintenance and support.	

Appropriates \$600,000/ year to create a computerized registry of Alzheimer's patients at the Institute of Medicine.	
Orders the Office of Rural Health to combine several loan repayment	

programs targeted at physicians, psychiatrists and those who work in state facilities. This new program can be extended to primary care providers, general surgeons in Critical Access Hospitals and telemedicine providers.	
Provides \$3.86 million in one-time funding over the course of the biennium to determine what the NC Tracks Medicaid management system will need to align with federal standards. This is required to receive continued funding from CMS.	
Orders DHHS to cut \$3.2 million per year for contracted services for both years. This money had been cut in FY 16-17, but Gov. Cooper had asked for this money in his budget for the coming two years. This money had been used in the past to pay consultants and other hirees from outside the department. But restricts DHHS from reducing funds earmarked for direct services.	
Orders DHHS to deliver a report on the Office of Program Evaluation Reporting and Accountability (OPERA), which was created in the 2015, budget by December 2017. The report should include breakdowns of the office's accomplishments, spending, organization and details of barriers to operation. OPERA was created to be an independent evaluator of programs within DHHS.	
Mandates a proposal from the UNC Chapel Hill School of Government for the creation and administration of a program to train management-level contract specialists in DHHS. These types of employees will be managing contracted services for the state once the Medicaid program switches from a fee-for-service program to being one under outside management.	

Creates up to \$3 million in one-time funding to support a residency program at Cape Fear Valley Medical Center affiliated with the osteopathic school at Campbell University School of Medicine. This money should be used to replace federal dollars lost when Cape	
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<p>Fear Valley changed from being classified as “urban” to “rural.”</p> <p>Requires that OSBM certify the amount that Cape Fear Valley MC has lost in federal payments. Also requires that CFVMC create residency programs with a minimum of 130 additional slots. Requires a report on expenditures by April 2018.</p>	
<p>Competitive grants for nonprofit organizations: Sets aside \$10,653,911 in recurring funds for each year of the biennium, in addition to one-time funds of \$4,202,500 per year. (with \$1.6M / year coming from the Substance Abuse Prevention and Treatment Block Grant) to fund nonprofit organizations which provide services with state dollars. Sets out procedures, etc, for the organizations to receive the funds. Specifically sets aside \$350,000 for Big Brothers Big Sisters and a total of \$3.225M for TROSA and \$2.75M / year to the Boys and Girls Clubs for dropout prevention programs.</p>	<p>Reduces the amount of competitive grants for nonprofit organizations by \$53,911, to \$1,600,000, also extracts an additional \$250,000 from the Social Services Block Grant to pay for competitive grants to nonprofit organizations.</p>
<p>DIVISION OF CHILD DEVELOPMENT AND EARLY EDUCATION</p>	<p>DIVISION OF CHILD DEVELOPMENT AND EARLY EDUCATION</p>
<p>Provides \$125,000 in one-time funding for Cabarrus Partnership for Children. Located in district represented by Rep. L Johnson, Sen. P Newton.</p>	<p>Provides \$250,000 for Smart Start – Reach Out and Read a statewide program that works with pediatricians to give kids a reading “prescription.</p>
	<p>Provides \$25,000 in one-time funding for Alliance for Children, a Smart Start partnership in Union County, which advocates for children’s futures by “investing in efforts that strengthen their health, education, and emotional development. District represented by Rep. D Arp, Sen. T Tucker</p>
	<p>Provides \$50,000 in one-time funding for Alamance Partnership for Children, a program based in Alamance County that administers Smart Start and other programs to help young children. District represented by Rep. D Riddell, Sen. R Gunn</p>

	<p>Provides \$50,000 in one-time funding for Wilkes Community Partnership for Children, a mobile produce market.” Local Smart Start agency that builds programs for young children. District represented by Rep. J Elmore, Sen. S Randleman</p>
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	Provides \$50,000 in one-time funding for the Early Childhood Initiative, Transylvania County program that creates activities to aid young children's learning. District represented by Rep. Cody Henson, Sen C Edwards
Establishes family income eligibility for NC Pre-K at 75 percent of the state median income, which maintains the current eligibility criteria for the program. Up to 20 percent of the children in the program may have family incomes above that if they have other risks. Also creates places for children of military or reserve members who are either on active duty, have been on active duty within the past 18 months, or are expected to be called up within the coming 18 months.	Creates a requirement for a criminal record check of any employees (and job applicants) for jobs where they will be accessing federal tax information for any other employees, contractors or job applicants. This will require a fingerprint check and other identification materials. All fingerprints will be forwarded to the State Bureau of Investigation for criminal record checks. And the Department of Public Safety can charge a fee to do this work.
Appropriates additional \$3 million in annual funds in FY 17-18 and \$6.1 million in FY 18-19 to "reduce" the current waiting list for NC Pre-K services by providing an additional 3,525 slots by FY 18-19.	Orders that in coming fiscal years, funding for NC Pre-K should be increased by \$9,350,000 in FY 2019-20 and by \$18,700,000 in FY 2020-21. Usually, a legislature cannot dictate expenditures for any future legislature, unless that appropriation is deemed a "statutory appropriation," as defined by GS 143 C-1-1(d)(28), which in this case the budget language does.
Above money will be augmented by moving funds from the TANF Block Grant. According to the House calculations, this will serve an additional 1,725 children in FY 17-18 and 3,525 more children than current numbers in FY 18-19. Total General Fund NC Pre-K appropriation = \$69.6M in FY 17-18 and \$72.7M in FY 18-19.	Moves additional \$50 million in TANF Block Grant money into NC Pre-K, replacing General Fund dollars. According to calculations, total of 3,700 more children served. The amount withdrawn was originally budgeted to be \$12 million but increased the amount withdrawn from the TANF block grant, now totals \$62 million. Net General Fund appropriation for NC Pre-K for FY 18-19 decreases accordingly to \$22.65M
Requires DCDEE to issue multi-year contracts for child care centers, specifies building and program standards, and orders an annual report to be delivered to the Legislative Oversight Committee on HHS by March 15 of each year.	

Orders DHHS to collaborate with the Department of Public Instruction to create a "statewide vision for early childhood education." Orders a follow-up report to be delivered by January 2018 and details what needs to be in the report. Also calls for DHHS	
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<p>& DPI to work together to create a standardized program to transition from Pre-K to kindergarten.</p>	
<p>Sets the following income limits for eligibility for Child Care Subsidy: for children ages 0 to 5 years, a family income below 200 percent of Federal Poverty Line; for children ages 6 to 12 years, a family income below 133 percent of FPL; for children with “special needs,” a family income of 200 percent of FPL. Sets cost sharing rates, based on 10 percent of family income. Sets new standards about cost sharing for families, requiring that care received at blended rate, that the copayment will = 83% of the full-time copayment.</p>	<p>Increases amount of TANF Block Grant money dedicated to the Child Care Subsidy program from \$58,112,735 to \$68,070,412. General Fund appropriation going to Child Care Subsidy decreases by \$172,000 to \$55,821,044, reflecting the elimination of two positions that were unfilled for more than one year.</p>
<p>Moves \$ 3.3M in TANF Block Grant moneys to increase the rate paid for Child Care Subsidies in the amounts of \$13 million in FY17-18 and \$17 million in FY18-19. The market rate for infants to 2 year olds in the 3-, 4- and 5-star centers in low-income counties will increase this October, with funding of \$10M in FY17-18 and \$13M in FY18-19. Also effective in October, the market rate for older preschoolers will be increased in the same child care centers.</p>	<p>Orders DCDEE to create a separate 0-2 years star-rating license standard for child care agencies. Criteria to be included are: staff qualifications, turnover rates, educational outcomes, evaluation of religious-based child care centers and minimum requirements for those. Orders a draft recommendation be delivered to HHS oversight committee by November.</p>
<p>Increases child care subsidy rates beginning in October to market rates for 3-,4- and 5-star facilities for school aged children in tier 1 & 2 counties. Adds \$3M in FY 17-18 & \$4M in FY 18-19 for increases to the market rate for school-aged children. Starting October, 2017, increases subsidy to market rate for 0-2 year old children in 3-, 4- and 5-star facilities in Tier 3 counties. Uses, for this purpose, the NC Dept of Commerce County Tier designations from 2015.</p>	<p>Increases child care subsidy rates as per the 2015 Child Care Market Rate Study as noted in last year’s budget. In addition, beginning in Oct 2018, increases rates paid for 3-5-year-old children in 3-, 4-, and 5-star facilities in the state’s least economically distressed counties, a total of \$9,750,000 in funds from the Child Care and Development Block Grant. Also in Oct 2018, increases child care subsidy up to 100 percent of the market rate reported in the 2015 study for children 0-5-years-old in 3-, 4- and 5-star facilities in the state’s less economically advantaged counties. This requires \$3,675,000 of funds from the Child Care and Development Block Grant. (Last year, these provisions only covered children 0-2 years old.) For this purpose, use the NC Dept of Commerce County Tier designations from 2018.</p>
<p>Total Subsidized Child Care appropriation = \$52.6M in FY 17-18 and \$56M in FY18-19; federal funds make up the bulk of child care subsidy.</p>	<p>Total Subsidized Child Care appropriation = \$55.8M in FY18-19; federal funds make up the bulk (\$340M) of child care subsidy, including an additional \$19.575,000 moved from TANF and Child Care and Development Block Grants that are used to reduce the</p>

	waiting list.
Total Smart Start – subsidized child care General Fund appropriation = \$143.5M for FY 17-18, \$147M in FY 18-19	Smart Start – subsidized child care General Fund appropriation requires an additional \$375,000, this includes \$250,000 for Reach Out and Read and a total of \$125,000 to local partnerships; Total = \$147.3M in FY 18-19. In addition, Smart Start receives \$7 million from federal Child Care Development Block Grant, for a Grand Total: \$154.3M
Swaps out a total of \$687,117 in TANF Block Grant funding on a one-time basis over the biennium to help fund the Child Care Subsidy program.	
Orders DHHS to allocate Child Care Subsidy funds using money from local NC Partnership for Children organizations as the base. Sets the base amount for each county's child care subsidy allocation. Modifications this year includes language that allows the Division to withhold up to 2% of available funds as a hedge against fraud/ program termination because of fraud and having to pay back federal funds as a result. Adds a new reporting requirement, for DHHS to report to JLOC on HHS on the funds withheld each year of the biennium 30 days after the withheld funds are distributed. Adds language allowing DHHS to set aside 4% of the subsidy funds for "vulnerable populations." Allows for re-allocation of unused funds and sets out spending guidelines. Also sets out guidelines for market rate increases.	
Moves \$913,972 from the Child Care and Development Fund Block Grant to create 12 positions in DCDEE to oversee infant-toddler projects, run the Child Care Subsidy program, and provide workers for compliance and fraud detection and policy/planning. The rest of the workers will support professional development, assessment and licensing. Most of these services are paid for by federal receipts. Moving the block grant money over allows for additional personnel and services with a minimum of General Fund money.	Moves \$471,990 in additional money from the Child Care and Development Fund Block Grant to add 7 positions to improve quality and access of infant/ toddler care. Those positions are: Lead Investigation Consultants (2), CDC Training/ Planning Development Supervisor, Investigation Manager, Administrative officer, Processing Assistant, Office assistant. Moves an additional \$223,308 from the same block grant for Business office positions. Total extracted from the CCDFBG = \$695,298
Sets out rules for how counties might reallocate funds left over after providing child care subsidies. Instructs counties to use the market rate increases in the formula, rather than old funding formulas.	

Sets out language to create general statute requirements for child care matching funds, loan funding and administrative allowances. They will appear in a new part of the state code entitled: Child Care Subsidy. For example, allows counties to set aside up to 4% of the child care subsidy funds (or \$80,000, whichever is greater) for fraud detection.	
Orders DHHS and DCDEE to implement a plan created by a 2015 law to require parents who have custody of their children to cooperate with child support service programs as a condition of receiving the child care subsidy. DHHS / DCDEE needs to report on how this implementation is proceeding by October 2018.	Increases fees paid for child support services to comply with federal law from \$25/ year to \$35/ year for families who have received more than \$550 in support services.
Orders NC Partnerships for Children to insure policies focus on assisting 1-, 2- and 3-star rated facilities to improve their ratings and implementing Pre-K evidence-informed programs to increase literacy, provide parenting education, and improve child health. Caps administrative costs for local partnerships at 8 percent and orders the NC Partnership for Children to use a single statewide contract management system, with all local partnerships participating. Sets out salary criteria for Partnerships.	
Sets fundraising match requirements for the statewide Partnership for Children and the local affiliates, ordering that they shall raise a matching amount of 100 percent of the budget for the program each of the two-years of the biennium, with cash contributions making up 13 percent of the match, in-kind services no more than 6 percent of the match, for total match of 19%. Sets out criteria for what constitutes and how to account for in-kind donations.	Keeps fundraising match requirements for the statewide Partnership to Children and local affiliates the same as FY 17-18, adds a requirement for a report submitted annually by Oct 1 to the HHS oversight committee.

Mandates that failure to raise the required amount (above) will result in a dollar-for-dollar reduction in the program for the subsequent year. Also sets out bidding processes for contracted	Keeps other mandates written into 2017-18 budget, adds a stipulation that local partnerships may only use one percent (1%) of state dollars for fundraising activities. Also mandates that in the annual report, the partnerships detail the amounts used for fund-
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services.	raising, any return on fund-raising investments and other “information deemed relevant.”
Orders allocations in smaller counties to not drop below 2012-13 levels, sets forth instructions for evaluation system, and sets expenditure restrictions	
Appropriates \$3.5 million in annual funds in FY17-18 and \$7 million in recurring funds in FY18-19 to allow for access to Dolly Parton’s Imagination Library, an early literacy program that mails age-appropriate books to registered children monthly. Stipulates the NC Partnership for Children may use up to 2 percent of funding for program evaluation.	Stipulates that the NC Partnership for Children may only use one percent (1%) of funds for statewide program management and one percent for program evaluation of the Dolly Parton Imagination Library program. Reduced from the ability to use two percent (2%) for evaluation.
DIVISION OF SOCIAL SERVICES	DIVISION OF SOCIAL SERVICES
Provides \$50,000 in one-time funding for Waves 4 K.I.D.S in Brunswick County. Located in district represented by Rep. D Butler, Sen. Bill Rabon	Provides \$50,000 to Children’s Homes of Cleveland County, a nonprofit that provides basic services to families in need. District represented by Rep. K Hastings, Sen. W Daniel
Provides \$50,000 in one-time funding for Restoring Hope Center in Laurinburg. Located in district represented by Rep. G Pierce, Sen. T McInnis	Provides \$75,000 in one-time funding to the Outreach Center, which provides education, food and support services to families in Morganton. Located in district represented Rep. H. Blackwell, Sen. W. Daniel
Provides \$75,000 in one-time funding for Northern Moore Family Resource Center in Moore County. Located in district represented by Rep. J Boles, Sen. J Tillman	Provides \$25,000 in assistance to the Union County Crisis Assistance Ministry, a food pantry and basic service provider for residents in “severe financial need.” Located in district represented by Rep. D. Arp, Sen. T Tucker
Provides \$250,000 in one-time funding for Children’s Home of Cleveland County. Located in district represented by Rep. K Hastings, Sen. W Daniel.	Provides \$30,000 in one-time assistance to StepUp Wilmington, which helps low income and disadvantaged people apply for and get full-time jobs. District represented by Rep. D Butler, Sen. M Lee

Provides \$200,000 in one-time funding for Crossnore Children’s Home in Winston-Salem. Located in district represented by Rep. J Dobson, Sen. D Ballard.	Provides \$50,000 in one-time funding for the Crisis Control Center, the Shepherd’s Center and Next Step Ministries, all funded by the Kernersville Foundation. District respresented by Rep. D Conrad, Sen J Krawiec
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	Provides \$100,000 in one-time funding for Dragonfly House, an advocacy center for recovering victims of child abuse, operating out of Mocksville. District represented by Rep. J Howard, Sen. D Barrett
Notes approval of DHHS' state plan for spending TANF (Temporary Assistance for Needy Families) monies covering October 1, 2016 – September 30, 2019. Designates Beaufort, Caldwell, Catawba, Lenoir, Lincoln, Macon and Wilson counties as “electing counties” with some flexibility in administering the plan and delivering services. (Those counties combined can contain no more than 15.5 percent of the state’s Work First/ welfare cases). Budget language holds those counties harmless for their allocations for the first year and stipulates what to do in the case of insufficient or excess funds.	Provides \$25,000 in one-time funding for the Northern Moore Family Resource Center for expansion of services at Hope Academy. Offers after-school programs, summer camps and other programs that involve early-childhood education. District represented by Rep. J Boles, Sen. J Tillman
Appropriates \$2.75 million in annual funds from the Social Services Block Grant to become grant funding for county social services. Several years ago, when the SSBG was reduced, NC replaced this money with General Fund dollars. The SSBG has increased again, and this move puts this money back into the General Fund and pays for the grants with SSBG money.	Provides \$50,000 in one-time funding for the North American Mission Board, or the Inner City Housing Ministries in Winston-Salem” a Southern Baptist-focused organization that brings help to those in need.
Stipulates that the Intensive Family Preservation Services Program to provide services to children and families in cases of abuse, neglect and dependency where a child is at imminent risk of removal from the home. These sections set out reporting, data collection and follow-up requirements for programs receiving federal and state monies to do this work.	Provides \$150,000 in one-time funding to Crossnore School and Children’s Home, a school for foster children in need. District represented by Rep. J Dobson, Sen. D Ballard
	Provides \$40,000 in one-time funding to Boys and Girls Clubs of Wilmington, which offers after-school programs for young people. District represented by Rep. D Butler, Sen. M Lee

	Total of irregular one-time funding appropriated under the Division of Social Services added to Reserves and Transfers budget line, increasing total to \$1.4 in General Fund obligations.
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Provides a one-time appropriation of \$1 million for Child Advocacy Centers, in addition to \$207,000 / year coming from the Social Services Block Grant. Up to \$100,000 will go to centers in good standing and \$100,000 to Children's Advocacy Centers of NC, Inc for operations.	Moves \$1 million in Social Services Block Grant funds to provide for Child Advocacy Centers, the money has changed from being one-time funds to being recurring funding.
	Provides \$750,000 in one-time funding for the Children's Center of Surry, runs support programs for parents, families and youth in Surry, Stokes, Wilkes, Yadkin and Forsyth counties. HQ in district represented by Rep. S. Stevens, Sen. S. Randleman
Sets out temporary rules for setting rates for child care institutions funded by DHHS; limits reimbursement rates for the institutions to the rate established by the Dept/ Controller until the Social Services Commission sets standardized rates.	Budget for Family Preservation and Support increased by \$850,000
Moves \$338,000 annually from the Social Services Block Grant to fund the Child Medical Evaluation Program, which pays for evaluations of children who may have been physically or sexually abused. Funding in DSS is primarily for children who are not Medicaid-eligible because Medicaid pays for the evaluation for Medicaid and CHIP eligible children. Also increases the rate paid for Medicaid eligible children who are suspected of being abused or neglected to \$575/ exam. This will cost \$385,000 in annual funds.	
Sets out budget guidelines for how DHHS Division of Social Services can use funds to support the provision of foster care services. Limits the expenses to be incurred for the Guardianship Assistance Program. Sets out that GAP rates paid to legal guardians will be at the same rate as previously established foster care room and board rates.	

Sets the rate for how much DHHS can pay for the educational needs of foster youth aging out of the foster care system and special needs children adopted when they were older. Appropriates \$50,000 per year to administer the scholarship funds for these foster children.	
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Also appropriates \$339,493 per year for a contract to administer the child welfare post-secondary support program. Stipulates the money can only be used to pay for attendance at a public institution in NC.	
Orders DHHS / Child Support Services Section (NCCSS) to retain up to 15 percent of annual federal incentive payments and allocate no less than 85% to enhance child support services by consulting with county officials to see what would improve centralized services, use the money for improvement. The money cannot be used to supplant state expenditures for those services, and write new rules for calculating and distributing the funds. This has been modified since 2015 budget.	
NCCSS is to use the rest of the money noted above to improve effectiveness and efficiency, using the measures established by federal officials. That means looking at current ways of distributing funds and seeing if there's a better way. If another method is determined, phase it in over a four-year period.	
NCCSS is to have county DSS's submit annual plans on how any funding will improve their programs as a condition for receiving incentive funding and report on how that funding has improved the programs, providing proof and explaining any deviations from their plans. Finally, NCCSS has to report to the legislature on their progress by November 1 of each year.	

Appropriates recurring funding for the changes required by federal officials in response to North Carolina's failing grade on the Child Welfare review program improvement plan. The funding is \$8.7 million in annual funds, increasing to \$9.146 million in FY18-19 with	
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an additional \$330,521 in one-time funding in FY18-19. The money is intended to allow for the professional development and training of child care workers in counties. It will also provide in-home services and services for children who have been adopted. The money also will support “medical homes” for adoptive children. The non-recurring money in the second year is to create a program for preventing unnecessary out-of-home placement for youth with behavioral and emotional needs and to perform a County Child Welfare workforce study.	
Changes to the Child Welfare System – DHHS is ordered to continuing implementing changes driven by a federal program improvement plan to bring NC into compliance with national standards for child welfare policy and practices. Orders Division of Social Services to work with county DSSs to create oversight plans that include staff training, quality improvement and data analysis. Report to the legislature every six months in February and August.	Changes the reporting period to within 30 days of complete implementation of the child welfare system improvement plan, and orders a final report to be delivered to the HHS oversight committee no later than 90 days after implementation is complete.
Changes to the Child Welfare System – orders DHHS to get child welfare component of NC FAST system online by the end of 2017 and to report to the NCGA on development and deployment of the software quarterly.	Orders the HHS Oversight committee to be notified within 30 days of implementation of the child welfare portion of NC FAST. And then orders a final report on the NC FAST implementation to be delivered by 90 days of implementation.
	Uses \$684,806 in TANF Block Grant dollars to continue implementation of NC FAST. Also reduces NC FAST money for implementing the Child Care Component of the system by \$30,866, which would have come out of the Child Care Development Fund (federal block grant).

Orders DHHS/ DSS to continue implementing an evidence-based pilot program started in 2016 to improve care and access to benefits for dual eligible seniors to improve their health and independence while reducing costs. DSS is working with a not for profit (sources	Provides funds to continue the pilot outreach program that
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say senators are thinking of Benefits Data Trust) to identify seniors eligible for SNAP, create an outreach program, sign seniors up for benefits and do measurement and evaluation. Orders a report due on February 1, 2018 and stipulates that any leftover funds not revert to the state, but rather remain available for implementation of the pilot.	increases access for SNAP (food stamp) services to seniors who are dually eligible for Medicare and Medicaid. Adds \$420,000 in one time funds for the pilot, and an additional \$600,000 for the total Food and Nutrition Services budget.
Creates a “Foster Care Transitional Living Initiative Fund” to support transitional living services that produce good outcomes for foster youth aged 17-21. Fund will support a demonstration project with services provided by Youth Villages. Goals are to support young people as they transition from foster care, identify cost savings in services that facilitate that transition, and establish a best-practices program available to all kids in transition from foster care. Part of the strategy is to form public-private partnership with state matching funds for the biennium.	
Provides \$5000,000 in annual funds to Youth Villages to provide services to improve outcomes for youth ages 17 to 21 who are transitioning from the foster care program. This means the program will receive \$2.5 million each year in total funds.	
Appropriates additional funding in \$750,000 in one-time funding each year to support the Permanency Innovation fund, which works to find permanent homes for foster care youth. This money will be combined with \$218,878 in receipts. Requires private partners to match 50% of state dollars allocated.	
Makes some changes to the Permanency Innovation Initiative Oversight Committee to broaden the committee’s look at initiatives and oversight for programs that support foster care kids transitioning to adulthood.	

Provides \$5000,000 per year in continued funding for the Eckerd Kids / Caring for Children/ Angels Watch programs which helps place children ages 0 to 6, with siblings up to age 10 into non-state foster care when parents are temporarily unable to care for those children	Orders that this program not only support children 0-10 years old,
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(e.g. in case of the death of a spouse). Parents are also provided mentorship to help them address issues and better parent their children while they are placed elsewhere. Requires report about number of families/ children served, with a comparison to other similarly-situated children, to be delivered by Dec. 2018.	but also any siblings under the age of 18 years old. The rest of the mandates remain the same.
Orders a final report on the transfer of responsibility over some social services from the state of NC to the Eastern Band of the Cherokee. Eliminates a quarterly report that was due on how this transition was progressing.	
Moves \$1.27 million annually from DSS account over to the Division of Medical Assistance. This is the funding for non-emergency transportation to be charged to Medicaid rather than to Social Services.	
Appropriates \$300,000 in one-time funding each year to support Marketing Association for Rehabilitation centers. This program focuses on business development and creates new job opportunities for people who are chronically unemployed.	
Makes expenditure of child welfare funding in lines 96-101 contingent on the passage of House Bill 630. Also makes funding of \$161,439 in FY17-18 and \$3,229,695 in FY18-19, both one-time funding contingent on passage of the bill.	
Increases the funding to support an anticipated increase in foster care caseloads by \$270,903 in FY17-18 and by \$2.45 million in FY18-19.	
DIVISION OF AGING AND ADULT SERVICES	DIVISION OF AGING AND ADULT SERVICES

Provides \$100,000 in one-time funding for the Charlotte Neuroscience Foundation – Memory Center. Located in district represented by Rep. Becky Carney and Sen. Joyce Waddell.	Provides \$125,000 in one-time funding for the Memory Center of Charlotte, via the Charlotte Neuroscience Foundation. The Memory Center is an Alzheimer's disease treatment center that focuses on family engagement. District represented by Rep. B Carney, Sen. J
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	Waddell.
Provides \$125,000 in one-time funding for Hospice of Davidson County. Located in district represented by Rep. S Watford, Sen. Joyce Waddell.	Provides \$127,000 in one-time funding for Cleveland County Rescue Mission, a faith-based organization that provides food and shelter to those in need in the county. District represented by Rep. K Hastings, Sen. W Daniel
Provides \$250,000 in one-time funding for Senior Resources of Guilford. Located in district represented by Rep. A Quick, Sen. G Robinson	Provides \$57,000 in one-time funding to the township of Sanford to support services for people experiencing homelessness. District represented by Rep. R Reives, Sen. J Rabin
Provides \$100,000 in one-time funding for the East Spencer Housing Authority. Located in district represented by Rep. Carl Ford, Sen. A Brock	Provides \$100,000 in one-time funds for the Open Door Community Center the first homeless shelter for women and children in Beaufort County. District represented by Rep. M Speciale, Sen. W Cook
Provides \$250,000 in one-time funding for the Life Enrichment Center in Shelby. Located in district represented by Rep. K Hastings, Sen. Warren Daniel	Provides \$50,000 to Allied Churches of Alamance County, Inc. which works to unite churches of different denominations to provide basic services for people in need. District represented by Rep. Dennis Riddell, Sen R Gunn
Provides \$100,000 in one-time funding to The Shepherd's House. Located in district represented by Rep. Sarah Stevens, Sen. S Randleman	Provides \$10,000 in one-time funding to Friends of the Homeless Shelter in Kinston, which provides food and shelter for the homeless population of Kinston. District represented by Rep. G Graham, Sen. D Davis
Provides \$35,000 in one-time funding for the Bolton Senior Center in Columbus County. Located in district represented by Rep. B Jones, Sen. D Britt	Provides \$25,000 in one-time funding to the East Arcadia Senior Center for older adults "for the purchase of a building." District represented by Rep. W Brisson, Sen. B Rabon
	Provides \$231,155 in one-time funding fo the Lincoln County Senior Center for the following purposes: \$56,155 for the Senior Center to purchase a van and \$175,000 for senior center furnishing and technology. District represented by Rep. J Saine, Sen. D Curtis

	Provides \$5,000 in one-time funding for the South Granville Senior Center. District represented by Rep. L Yarborough, Sen. F McKissick
	Provides \$5,000 in one-time funding for the Person County Senior

	Center. District represented by Rep. L Yarborough, Sen. M Woodard
	Provides \$250,000 in one-time funding for Senior Resources of Guilford for the renovation of a new building.” Community center for older adults, with a focus on promoting independence. District represented by Rep. P Harrison, Sen. G Robinson
	Provides \$125,000 in one-time funding for the Montgomery County Council on Aging for acquiring a new building.” County initiative that helps senior citizens by offering activities and other opportunities. District represented by Rep. J Burr, Sen. C Dunn
	Provides \$20,000 in one-time funding to the government of Columbus County to purchase a van to be shared by the 7 Columbus senior centers. District represented by Rep. B Jones, Sen. D Britt
Appropriates \$5 million/ year to increase the rate paid for adult care homes that receive state-county special assistance funding payments for low-income patients. Adds \$34/month per resident to payment for two years only, requires counties to pay 50% of the cost of providing for these residents. ‘	Reduces funding by \$2.2 million for temporary services to assist group homes that serve people who receive state/county Special Assistance, due to decreasing caseloads. A total of \$1.1 million reverts back to the General Fund.
Sets the monthly rate for state-county special assistance at \$1,182/ month and \$1,515/ month for residents of Alzheimer’s/ dementia special care units (this is the same as in the past biennium).	
Authorizes the HHS Secretary to waive the 15% cap on the number of special assistance in-home payments as necessary within a county’s Special Assistance budget.	Creates plan for the Eastern Band of Cherokee Indians to assume responsibility for administering the Home and Community Care Block Grant for people living under their jurisdiction. Reduces the allotment from the HCCBG to the Southwestern Commission Area Agency of Aging by \$43,731, and provides those dollars to cover a contract of equal size with the Eastern Band of Cherokee Indians.

Provides \$969,999 in each year of the biennium to enhance the Home and Community Care Block Grant, which pays for services such as Meals on Wheels. This is a continuation of non-recurring	Adds \$1M in additional federal funds for congregate meals by moving \$150,000, from the Social Services Block Grant to NC’s Home and Community Care Block Grant program. With local matching dollars of \$167,667 and federal receipts, brings that total
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funding from prior years and does not address the waiting list for services.	of federal dollars to \$2.69M. No new state dollars. https://www.northcarolinahealthnews.org/2018/05/29/state-funding-lags-as-nc-seniors-face-threat-of-hunger/
	Moves additional \$850,000 in recurring Social Services Block Grant dollars, to the Home and Community Care Block Grant program, with an additional \$94,444 in local matching dollars to provide \$944,444 in funding for in-home and community-based services to allow older adults to continue living at home with supports. No new state dollars.
Moves \$605,101 in funding from the federal Social Services Block Grant to provide an increased rate paid to corporate guardians and to serve some extra people. Total budget for guardianship = \$3,766,119, using \$520.649 in NC General Fund money.	Moves \$1,316,412 from the federal Social Services Block Grant to provide additional Adult Protective Services and Guardianship. In addition to planned \$1,352,250 from the General Fund to provide services.
	Moves \$81,758 in funding from the Social Services Block Grant to provide salary/ benefits for one Social Work Planner/ Evaluator to support Adult Protective Services in all 100 county's DSSs. No new state dollars.
Changes the timeline for submitting biennial plans for the division to July of odd-numbered years (the first year of the biennium) and stipulates the contents of the biennial plans. This aligns the reporting period with federal deadlines.	
Recommends the formation of an Aging subcommittee to the Joint Legislative Oversight Committee on Health and Human Services. Reports: interim report March, 2018 and Final report Nov. 2018.	
DIVISION OF PUBLIC HEALTH	DIVISION OF PUBLIC HEALTH
Provides \$100,000 in one-time funding for the Coastal Pregnancy Center in Beaufort County. Located in district represented by Rep. B Boswell, Sen. B Cook	Provides \$35,000 in one-time funding for Wayne Initiative for School Health (WISH), an initiative by Wayne County that aims to provide healthcare to students who, otherwise, wouldn't receive services. District represented by Rep. L Bell, Sen. D Davis
Provides \$100,000 in one-time funding for the Greene County Wellness Center. Located in the district represented by Rep. G Graham, Sen. D Davis	

Provides \$450,000 in one-time funding for the Monroe County-based Pregnancy HELP Center, Inc. Located in the district represented by Rep. C Horn and Sen. T Tucker	
Provides additional one-time funding for the UNC Craniofacial Center at the UNC School of Dentistry. Located in the district represented by Rep. V Insko and Sen. V Foushee	
Alters and codifies language around the use of school nurse funding and notes any money for extra school nurses not be used for other efforts and can't be used to pay for nurses working at state agencies. Also sets stipulations on the funding, including county/school eligibility for the funding and what the nurses can and can't do.	
Allocates \$690,594 in annual funds for the Children's Developmental Service Agencies (CDSAs). The appropriation is enough money for eight positions to address deficiencies identified in a federal corrective action plan in two of the CDSAs – New Bern and Blue Ridge. The funds will provide for an OT, PT and SLT for each CDSA, a psychologist for New Bern and an additional OT for Blue Ridge.	
Directs \$2.0 million in annual funds to expand the home visiting services of the Nurse Family Partnership. This brings the total appropriation for NFP to \$3.7 million per annum.	Instructs DHHS to submit a waiver to federal regulators in order to be reimbursed by Medicaid for a plan to expand the Nurse Family Partnership home visiting program for at-risk mothers and children. Instructs DHHS to create a report to the legislature about the expected savings from this pilot program and timeline for statewide implementation, expected outcomes and potential savings. Then, after the conclusion of the pilot program, DHHS is instructed to submit a report to the legislature on actual outcomes and savings associated with statewide expansion.

Orders DHHS to begin providing Medicaid/ Health Choice coverage for an infant home visiting program modeled on the Nurse Family Partnership, either as statewide program or as a pilot program. Orders DHHS to design the program, define the scope of the	
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program, and determine the fiscal impact of such a program by July 2018. The plan should also include plans on how to leverage state dollars to find private dollars and a timeline for implementation.	
Appropriates \$500,000 in annual funds to expand the Quitline NC and You Quit, 2 Quit, a smoking cessation program for pregnant women. Quitline received about \$800,000 in appropriations last year and also earns receipts from the State Health Plan which uses the service for its members.	Appropriates \$250,000 in annual funds to support the Quitline NC and You Quit, 2 Quit, a smoking cessation program for pregnant women (in addition to \$500,000 budgeted last year). Quitline also earns receipts from the State Health Plan which uses the service for its members.
Appoints \$500,000 in one-time funding in each year for youth tobacco prevention programs to prevent the use of new and emerging tobacco products, including e-cigarettes.	Appropriates an additional \$250,000 in one-time funds for youth tobacco prevention programs (on top of the \$500,000 budgeted) to prevent the use of new and emerging tobacco products, including e-cigarettes.
	Of the funds designated for the Division of Mental Health, Developmental Disabilities and Substance Abuse Services, legislators order that \$300,000 be transferred to the Alcohol Law Enforcement Branch to fund checks on stores selling tobacco and tobacco products to minors. Note: The state is required to demonstrate compliance in order to maintain \$16M in federal block grants.
Asks for a report – due in March 2018 – to address how to reduce the budget deficit at the State Public Health Lab in Raleigh. Asks for recommendations including what currently free services could be changed to require a fee, creation of a billing system, and the feasibility of altering the state's Medicaid plan to take advantage of federal cost settlement.	Appropriates \$80,000 in annual funds for an initiative with the Perinatal Quality Collaborative NC (PQCNC) to improve accuracy of birth certificate data.

Provides \$2 million in one-time funding and \$1 million in annual funding for the state public health lab to address a structural deficit. The deficit was created several years ago when the state stopped	Increases the fee for newborn genetic testing from \$44 to \$128/ infant. This fixes a structural problem where the State Lab was being reimbursed too little for infant screening tests, thus generating a deficit and will generate \$6.4M in receipts annually.
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charging Medicaid for the infant genetic/metabolic panel, which costs about \$100/infant. Last year, the state allowed for the lab to charge about \$40 for infant testing, but there remains a deficit.	This money helps with adding 7 positions in the Newborn Screening Program. \$3.7M of this money budgeted for equipment procurement, upkeep and replacement to perform the testing.
	Adds new screening tests to the infant genetic testing screening panel. Added diseases to be tested for are: Pompe disease, Mucopolysaccharidoses (MPS I) and X-linked Adrenoleukodystrophy. Parents are given the option of opting out of testing.
	Also creates the Newborn Screening Equipment Replacement and Acquisition Fund, which receives \$32 of each fee paid to be applied to the Newborn Screening Program. Also this also facilitates that North Carolina comply with the national U.S. Recommended Uniform Screening Panel for infant screening. Also mandates an annual report on the Newborn Screening program, which will include budget.
	Requires an annual report to the legislature on the state's newborn screening program, including budget, fees and receipts, additions to the state's program that come from the US RUSP, equipment needs, etc.
Sets up competitive process for granting funds to local health departments for improving maternal and child health, based in part on current health indicators and whether grant proposals incorporate evidence-based programs. Creates priority for proposals that "leverage non-state funds in addition to the grant award" and stipulates that any funding received by the state for this purpose not supplant existing funds for maternal or child health. Orders the HHS Secretary to announce grant recipients by July 1 and orders health department reports on grant spending and impact by December 1 of each year. Final budget adds \$1.85M in FY 17-18 and \$1.3M in FY 18-19 to "Maternal and Infant Health" programs, for final appropriation of \$13.7M in FY 17-18 and \$13.1M in 18-19.	
	Orders a study of the fees paid to keep/ create vital records such as death certificates, etc. to determine whether income from services rendered covers costs.

Appropriates \$300,000 in recurring funds/ year and \$300,000 in one-time funds per year for communicable disease testing with an emphasis on testing for Hepatitis C and other priority diseases. The money may also be used by the DPH to assist people who test positive to access the appropriate health care treatment.	
Carries forward language from the 2015 budget that cuts Planned Parenthood out of bidding for contracts to provide adolescent pregnancy prevention services.	
Appropriates \$1.3 million annually to the Carolina Pregnancy Care Fellowship, \$800,000 to buy durable medical equipment for clinics. Up to \$30,000 annually may be used for administration and up to \$170,000 / year may be used to train staff on how to use the DME. In addition, provides \$400,000 in Maternal and Child Health Block Grant funds to Carolina Pregnancy Care Fellowship.	Appropriates \$1M for the Carolina Pregnancy Care Fellowship, with same breakdown: Appropriates \$1.0 million annually to the Carolina Pregnancy Care Fellowship, \$800,000 to buy durable medical equipment for clinics. Up to \$30,000 annually may be used for administration and up to \$170,000 / year may be used to train staff on how to use the DME.
Also appropriates \$300,000 in one-time funds/ year to develop and implement a continuum of care pilot program for the Human Coalition clinic in Raleigh. Part of the study will be to assess why women seek abortions and provide a continuum of care to assist women to carry pregnancies to term. Stipulates the funds are “nonsectarian purposes only.” The pilot should include matching pregnant women with a mentor to guide the participant toward positive lifestyle changes, and “help build a stable family life for the duration of the pregnancy.” Report due April 1, 2018 and final report due April, 2019.	Continues the annual (non-recurring) grant of \$300,000 to develop and implement a continuum of care pilot program for the Human Coalition clinic in Raleigh. Part of the study was to assess why women seek abortions and provide a continuum of care to assist women to carry pregnancies to term. Stipulates the funds are “nonsectarian purposes only.” The pilot should include matching pregnant women with a mentor to guide the participant toward positive lifestyle changes, and “help build a stable family life for the duration of the pregnancy.” Final report due April, 2019 which should include potcost of expanding the pilot statewide, an estimate of any potential savings from the program and a potential timeline.
	Pulls \$250,000 from the TANF Block Grant to fund Teen Pregnancy Prevention programs run out of the Division of Women’s and Children’s Health, also pulls an additional \$2.85M of federal Maternal and Child Health Block Grant dollars annually to cover costs in the Division.
Directs \$100,000 in start-up funding for the Advisory Council on Rare Diseases, which was established by law in 2015 and is housed at the School of Public Health at UNC Chapel Hill.	

Provides \$2.2 million per annum in one-time funds to launch a three-year demonstration of the “Every Week Counts” program that is intended to improve infant mortality outcomes in Robeson and Columbus counties. Researchers from UNC Chapel Hill’s School of Public Health will lead the project, which will provide in-home prenatal care for low-income multiparous women. They will also conduct a randomized controlled trial of the use of 17-p, a drug used to reduce the risk of preterm birth, among women deemed to be at risk of preterm birth. Lays out inclusion criteria for program participants. Final report to be submitted three months after conclusion of the program.	Provides \$3 million in one-time (non-recurring) funds to launch a three-year demonstration of the “Every Week Counts” program that is intended to improve infant mortality outcomes in Robeson and Columbus counties. Transfers oversight to researchers from UNC Pembroke to lead the project, which will provide in-home prenatal care for low-income multiparous women. UNC Pembroke is tasked with finding \$3 million in matching funds to continue the demonstration project for a third year, completing all of the tasks outlined in Year 1. That money “may” be raised by the UNC Chapel Hill School of Medicine. Final report to be submitted three months after conclusion of the program.
Orders DHHS to continue administering an evidence-based diabetes prevention program and asks for annual report to be delivered to the NCGA by December 1 of each year.	
Implements new federal standards for the definitions of “elevated blood lead level,” “confirmed lead poisoning” and “readily accessible substance” (a substance that can be eaten by a child or pregnant woman) used in North Carolina, introducing more stringent standards. It lowers the level of lead found in the blood of a child or a pregnant woman that requires immediate action to remove lead from the immediate environment, as recommended by the CDC.	
Budgets federal Medicaid receipts to conform the state’s elevated blood level standard with the federal standard. These receipts, totalling about \$557,000 in FY17-18 and \$559,000 in FY18-19 will fund six full-time positions to handle the workload.	
Budgets federal receipts of \$3.8 million from the WIC program to move recipients from paper vouchers to an electronic benefits transfer (ATM-like) card for purchasing food.	

Instructs DHHS to work with the Department of Public Safety to buy HIV medications for those in prison who have been diagnosed in a manner that allows the state to draw federal matching funds.	

Orders DHHS to continue using ADAP funds to purchase health insurance or provide premium/copay/deductible assistance for patients with HIV to use federal “Ryan White” funds to pay for insurance that guarantees them access to medication. Orders a study of the program that demonstrates cost neutrality, gives data on health outcomes and describes any obstacles to implementation by March 2018.	Reduces the amount that the Division of Women’s and Children’s Health pulls out of the Substance Abuse Prevention and Treatment block grant by \$724,461. Now, only \$241,488 comes out of the SAPT BG to pay for HIV testing.
Sets the eligibility determination for ADAP recipients by calculating “modified adjusted gross income,” which brings the program in line with other benefit program eligibility determinations.	
Allots \$2.2 million in one-time funding each year to create and conduct a pilot preterm pregnancy program in Robeson and Columbus Counties. The project will fund in-home prenatal care for prevention of preterm birth and use 17-P to prevent preterm births in at-risk pregnant women.	
DIVISION OF MENTAL HEALTH/ DEVELOPMENTAL DISABILITIES AND SUBSTANCE ABUSE SERVICES & DIVISION OF STATE OPERATED HEALTHCARE FACILITIES	DIVISION OF MENTAL HEALTH/ DEVELOPMENTAL DISABILITIES AND SUBSTANCE ABUSE SERVICES & DIVISION OF STATE OPERATED HEALTHCARE FACILITIES
Provides \$150,000 in one-time funding for Charlotte-Mecklenburg Hospital Authority. Located in district represented by Rep. M Belk, Sen. J Jackson.	Provides \$50,000 in one-time funding to Triangle Down Syndrome Network of Raleigh, a resource for people and families affected by Down syndrome in the Triangle area. District represented by Rep. C Ball, Sen. J Alexander
Provides \$100,000 in one-time funding for Bridge to Recovery, Inc. Located in district represented by Rep. J. Parr, Sen. Tom McInnis.	Provides \$10,000 in one-time funding for Linden Lodge, a recovery organization that works to help men and women who are recovering from mental illnesses. District represented by Rep. J Boles, Sen J Tillman

Provides \$250,000 in one-time funding for development of Opioid Overdose Rapid Response Team in Guilford County. Located in district represented by Rep. J Blust, J Faircloth, C Brockman, J Hardister, A Quick, P Harrison; Sen. P Berger, T Wade, G Robinson	Provides \$10,000 to the government of Moore County for the purchase of naloxone for first responders. District represented by Rep. J Boles, Sen J Tillman
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Provides \$500,000 in one-time funding to ReNu Life Traumatic Brain Injury Services. Located in district represented by Rep. J Dixon, Sen. D Davis.	Provides \$50,000 in one-time funding to ReNu Life, a rehabilitation center for people recovering from traumatic brain injuries. District represented by Rep. J Dixon, Sen. D Davis
Provides \$400,000 in one-time funding for GiGi's Playhouse in Raleigh. Located in district represented by Rep. N Dollar, Sen. T Barringer	Provides \$50,000 in one-time funding to <u>GiGi's Playhouse</u> (https://www.northcarolinahealthnews.org/2018/05/03/a-place-to-call-their-own-down-syndrome/), a recreation and education center for people of all ages with Down syndrome. District represented by Rep. N Dollar, Sen. T Barringer
Provides \$100,000 in one-time funding for Sanctuary House. Located in district represented by Rep. P Harrison, Sen. G Robinson.	Provides \$10,000 to the government of Anson County for the purchase of naloxone for first responders. District represented by Rep. M Brody, Sen. T McInnis
Provides \$50,000 in one-time funding for Alexander Youth Network. Located in district represented by Rep. A Dulin, Sen. D Bishop	Provides \$10,000 to the government of Scotland County for the purchase of naloxone for first responders. District represented by Rep. K Goodman, Rep. G Pierce, Sen T McInnis
Provides \$100,000 in one-time funding for The Enrichment Center in Winston-Salem. Located in district represented by Rep. E Terry, Sen. P Lowe	Provides \$10,000 to the government of Richmond County for the purchase of naloxone for first responders. District represented by Rep. K Goodman, Rep. G Pierce, Sen T McInnis
	Provides \$50,000 in one-time funding to Samaritan Colony a substance abuse treatment facility in Rockingham, to provide addiction recovery services to women. District represented by Rep. K Goodman, Sen. T McInnis
	Provides \$25,000 in one-time funding to The Arc of Union/Cabarrus County for services to support individuals with intellectual and developmental disabilities. District represented by Rep. L Pittman, Sen. P Newton

	Provides \$300,000 in one-time funding to The Bridge to Recovery, a faith-based addiction treatment center in Moore, for treatment of individuals recovering from substance abuse." District represented by Rep. D Arp, Sen. T Tucker
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	Provides \$50,000 in one-time funding to the Rapid Response Team for Opioids, Guilford County's program for identifying patients at risk of opioid overdose, and pursuing necessary treatment and prevention. District represented by Rep. J Blust, Rep. C Brockman, Rep. J Faircloth, Rep. J Hardister, Rep. P Harrison, Sen. P Berger, Sen. G Robinson, Sen. T Wade
	Provides \$500,000 in one-time funding for Holy Angels, a center for people with intellectual and developmental disabilities in Belmont. District represented by Rep. J Torbett, Sen K Harrington
	Provides \$50,000 in one-time funding to Reality Ministries, a faith-based resource center for teens with developmental disabilities. District represented by Rep. M Michaux, Sen. M Woodard
Adds statutory language to the state's Executive Organization Act that stipulates that money for the NC Child Treatment Program should be used to train providers in evidence-based treatments, to create statewide standards for measuring accountability and outcomes, to create a roster of clinicians able to provide the above treatments, and to work with management of LME MCOs to make these treatments available to kids in juvenile justice and mental health facilities.	Makes adjustments to the Mental Health Block Grant and moves that money toward the budget for the Division of Mental Health, Developmental Disabilities and Substance Abuse Services totalling \$6.25M in federal grant money. No adjustment in state dollars. Also Uses additional \$2.95M from Substance Abuse Prevention and Treatment federal dollars to the Division.
Directs the use of funds for the Child Treatment Program, which does clinical training on evidence-based mental health treatment for children. Directs DHHS to develop a secure online database to provide individual and aggregate level data and it stipulates that all data entered into this database and other databases, such as NC FAST, remain state property.	
Changes how cash is paid to LME/MCOs during the first month of the fiscal year (July) in order to relieve cash-flow problems experienced by the LME/MCOs at that time.	
Decreases single stream funding paid to LME/MCOs by a total of \$9.74 million annually and by \$43.4 million in one-time funds in FY 2017-18 and by a total of \$1.96 million in annual funds and by \$44.6	Changes the decreases in single stream funding paid to LME/MCOs, now costs reduced by an additional \$438,042 in annual funding and \$16,583,635 in one-time funding. This is a \$17.02 million reduction from what was originally planned for FY2018-19, making a total

<p>million in FY 2018-19. Specifies how those cuts will be distributed among all seven LME/MCOs. Orders the LME-MCOs to maintain the same level of service provision as during the past FY. Orders the HHS Secretary to report to the legislature by March 2018 with detailed explanations about any needed adjustments in these recurring reductions in future years. If there is a Medicaid surplus at the end of each fiscal year, LME/MCOs may receive \$30 million to offset the reductions.</p>	<p>reduction of \$36.44 million annually and \$71.2 million in one-time funds in FY 2018-19 off what was originally planned for LME/MCOs. Specifies how those cuts will be distributed among all seven LME/MCOs (including reducing cuts to Trillium Health Resources to zero). Orders the LME-MCOs to maintain the same level of service provision as during the 2014-15 FY. Orders the HHS Secretary to complete a comparison of the cash balance and solvency range of each LME/MCO, including detailed explanations.</p>
<p>Also takes \$31,487,366 in recurring single-stream funding and redirects those dollars to other services, including: Local three-way crisis beds (\$2.5M); Disability Rights Settlement (\$6.2M); US DOJ/ Transitions to Community Living (\$8.89M); Expanding DD/Innovations waiver slots (\$4.1M). The budget stipulates the following non-recurring dollars to go to: \$2 million to case management, \$5 million to group home funding, \$5 million to substance abuse services. In the FY18-19 budget, the budget reduces single-stream funding by \$36 million and redirects funds thusly: Local three-way crisis beds (\$2.5M); Disability Rights Settlement (\$6.28M); US DOJ/ Transitions to Community Living (\$17M); Expanding DD/Innovations waiver slots (\$8.26M), and reallocates non-recurring funds: \$5 million to group home funding and \$5 million to substance abuse services. All told, it's a \$32.7 million reduction in total funds in FY 17-18 for DMHDDSAS, and an \$15.1 million increase in FY18-19.</p>	<p>Moves \$1.4M in single stream funding to Vaya Healthcare to pay for the initial startup of a crisis center in Wilkes County.</p>
<p>Orders reports from DHHS to include income and spending from the single-stream, I/DD and substance abuse services on the third Monday of each month.</p>	

<p>Provides \$10M over the biennium in supplemental funding for mental health group homes housing 6 or fewer people. Restricts who is eligible to receive these extra funds (continuation of "bridge" funding created in 2015) and also restricts the amount of payments</p>	
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<p>to \$464.30/ month. Also orders a DHHS report due in Sept. 2018 to:</p> <p>1) list all the homes eligible for the assistance and 2) a plan for sustained funding beyond the 2017-19 biennium. Also see line 188.</p>	
	<p>Orders a review of DHHS' Strategic Plan for Improvement of Behavioral Health Services and in there, orders the department to calculate quarterly a "solvency range" for each LME/MCO. This calculation should include: "incurred by not reported claims figure," calculation of net liabilities, funds needed for catastrophic events, required intergovernmental transfers, projected operating losses and reinvestment plan amounts. Once this is done, DHHS is to compare the cash balances of each LME to the range described in the solvency report and adjust the budget accordingly.</p>
<p>Orders evaluation of the financial position of each LME-MCO.</p> <p>Stipulates that if the Secretary feels that the LME-MCO is at risk of failing in the coming biennium, DHHS officials need to meet with the LME-MCO, devise a remediation plan, and report to the JLOC on HHS. Also specifies what should be in an corrective action plan, schedules for reports, and sets out benchmarks for compliance.</p>	<p>Amends language around the DHHS Secretary's oversight of LME/MCO management and the creation of corrective action plans in the case of insolvency. Generation of quarterly solvency reviews to end in September, 2018.</p>
<p>Directs the use of funds appropriated in each year to increase the number of community hospital beds that can be used for mental health treatment (three-way beds), authorizes the use of funds for new and existing beds, and stipulates the use of the money (only buy bed time for indigent patients). Stipulates that 10 percent of total funds can be used for facility-based crisis services and hospital detox. It also sets the format for departmental reports to the legislature. House allocates \$41.3 million in annual funds.</p>	

<p>A 2015 plan began eliminating the state appropriation to the state Alcohol and Drug Abuse Treatment centers and changing them to only being supported by receipts. The plan phases down the state appropriation over a few years. This sets the threshold at 86 percent</p>	
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of the allocation to purchase services from the ADATCs in the 17-18 fiscal year. The remaining 14 percent of the LME money for substance use treatment can be used to purchase services from “any qualified provider.” Then decreases the amount required to be spent by LME-MCOs on the ADATCs by 10 percent / year until it reaches zero after FY 17-18. Also benchmarks those percentages NOT to the annual state appropriation, but to the amount calculated through this subsection.	
Moves \$17 million to DHHS from the proceeds of the Dix sale for the purpose of creating hospital-based psychiatric beds in rural counties: \$4 million for Caldwell Hospital, \$4 million at Mission Health, \$4 million at Cape Fear Valley MC, \$4 million at Vidant Health, \$3 million at Good Hope Hospital and \$2 million for the Dix Crisis Intervention Center in Onslow County. The total of the allocation for the beds is \$17 million. Orders that all the beds be named in honor of Dorothea Dix. Unspent funds will remain in the Dorothea Dix Hospital Property Fund	Orders a report on how the funds acquired by the sale of Dorothea Dix Hospital property were used to purchase mental health beds in rural areas and three-way beds. Report should include the number of beds/ bed days purchased by the state and by LME/MCOs for people who were Medicaid indigent or who had no ability to pay.
	Removes \$10 million in one-time funding acquired by the sale of Dorothea Dix Hospital and puts it towards implementing the School Safety and Grants Program “mental health-related school safety initiative.”
Provides Certificate of Need exemption for the three-way beds noted above, and reserves 50% of the beds for use by LME/MCOs for individuals who are indigent or Medicaid recipients. Requires an annual report to the JLOC on Health and Human Services each Nov.	
States the NCGA's intent to set aside up to \$2 million in one-time funding to pay for up to two new facility-based crisis centers for children and adolescents. Orders DHHS to create a process for applying for those funds, criteria for winning the grants, and allocation. Orders a study by DHHS on how to support these new beds into the future, to be delivered by December 2020.	
Orders that any money left over from the Dix property sale not used to create new beds must remain in that fund.	
Makes additions to the instructions given in the 2016 budget to	

DHHS around creating a statewide strategic plan for the improvement of behavioral health services. It requires DHHS to consider past studies and reports in the development of that strategic plan and orders the department to consider: why there is a growing waitlist for Innovations waiver slots and potential solutions to the growth of the waitlist; issues around single stream funding and how to use those dollars to support the I/DD population; any federal mandates that might impact services; coverage of services for people with autism.	
Orders an additional \$2 million to go to a pilot case management system at WakeMed designed to reduce emergency room boarding of behavioral health patients.	
Appropriates \$5.61 million in FY 17-18 and \$5.66M in FY 18-19 to cover needs at state psychiatric hospitals, and also provides \$1.2 million to account for inflationary increases on things such as drugs, food and utilities.	
Appropriates \$2.5 million in funding each year to pay for litigating the defaulted contract by the contractor building Broughton Hospital. It also provides \$180,000 for a study around the future use of the old Broughton Hospital facilities and allows for the balance to be used for purchasing equipment and administrative costs incurred by the construction delays on the new hospital.	Appropriates \$5 million in recurring funds to create 169 full-time positions for the newly opening Broughton Hospital, finally becoming operational after multiple construction delays. Sets a limit of \$19 million in annual operating costs and a total of \$15.1 million of state dollars to be used for creation of 169 positions, costs for planning and moving patients from the old hospital to the new one, and operational costs at the new facility.
Appropriates \$100,000 in annual funding to purchase the opioid antagonist Naloxone divided: \$75,000 for the NC Harm Reduction Coalition and \$25,000 to law enforcement agencies	

Sets aside \$2.4 million each year to be used to fund services for people with Traumatic Brain Injury, to be distributed as followed: \$359,218/year to fund contracts with specific providers, \$2.01 to support residential programs that are specific to people with TBI,	Provides \$500,000 in additional, one-time funding for services for people with Traumatic Brain Injury.
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and to support requests from TBI patients in the community who need things such as home modifications, transportation, etc.	
Appropriates \$150,000 for FY 17-18 and \$300,000 for FY 18-19 to create and implement a traumatic brain injury pilot program to increase compliance with new evidence-based treatment guidelines to treat and maintain victims, while reducing long-term costs. DHHS will choose up to 3 sites at trauma hospitals, each will receive \$100,000. DHHS will use recommendations created by the American Assoc of Neurological Surgeons in the pilots. DHHS will report to the JLOC of Health and Human Services by Jan 2019.	
Orders the renaming of the Prescription Drug Abuse Advisory Committee to the Opioid and Prescription Drug Abuse Advisory Committee, adds a seat for someone from the Department of Public Safety.	
Takes federal SAMHSA funds coming to North Carolina and allocates them for their use to combat opioid addiction. The money will be divided up: 80% per annum to be used to increase access to treatment and recovery services; up to 15% to increase access to prevention services and up to 5% to be spent on administrative costs.	
Orders DHHS to increase the number of people receiving disorder treatment by 9% per annum and increases capacity of Medication-Assisted Treatment by 5% per year.	
Orders a report to be delivered by DHHS on how the money was used, how many people were served, providers trained, outcomes and data on the providers of Medication Assisted Treatment services in each year.	

Orders a study of provider prescribing practices and whether a continuing education class on best practices for controlled substance prescribing is changing practice. To be completed December 2017.	
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Retains funding for the Wright School and orders a study on expansion of the model in as many as two other sites.	Orders a cost analysis for expansion of two Wright School expansions, one facility located west of I-77 and one located east of I-95. Analysis needs to include how construction and function of the facilities will impact Medicaid over three years with a focus on what would happen to inpatient hospitalizations, ED use, etc.
Orders a DHHS study of the use of site-of-use “solutions” for disposing old prescription drugs.	
Eliminates a semiannual report created in the 2013 budget which had DHHS send to the NCGA about mental health integration activities between Community Care of North Carolina and Medicaid providers. Community Care is being deemphasized as the state prepares to move Medicaid to commercial managed care.	
DIVISION OF HEALTH SERVICE REGULATION	DIVISION OF HEALTH SERVICE REGULATION
Provides money for additional staff for adult care home and acute care setting inspections, this will improve the timeliness of the inspections for many kinds of facilities, including hospitals, home care agencies, adult and family care homes and dialysis centers. The positions will help the state meet federal requirements for the number of staff to inspect facilities that are paid by Medicare and Medicaid. Amounts are for \$372,380 of annual funds in FY17-18, bumped up to \$729,667 in FY18-19, with \$10,000 each year to set up the positions. By the end of the biennium, 14 new positions will have been added.	Changes statutory language to allow for skilled nursing facility administrators to serve as adult care home administrator, so long as that person has been a SNF administrator for at least 90 days and passed a certification test for adult care home administrators.

Designates continued \$350,000 in funding each year for pilot programs to expand the roles of paramedics and train them to appropriately divert behavioral health patients from emergency departments to community-based services, helping them “navigate”	Reduces agency budget by \$366,029 in state dollars by eliminating
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through the mental health system to find the services they need. Fund distribution: New Hanover Regional Hospital: \$210,000; McDowell County Emergency Medical Services: \$70,000; Wake County Emergency Medical Services: \$70,000	5 engineering/ architectural technician positions (and their fringe benefits) for positions that have been vacant for more than a year.
Appropriates \$248,000 over the two-year budget to automate the background check system used by providers of long-term care services. It's used check backgrounds of non-licensed staff (because licensed staff such as nurses, etc. go through background checks as part of their licensure) who provide hands-on care for patients/residents. The system was actually developed using federal funds and this money provides ongoing support.	
Allows for hospitals to roll a shuttered hospital in a neighboring county into one license, so long as the closed hospital has been closed for fewer than three years and was the only hospital in operation.	
Extends a moratorium on licensing "special care units" in adult care homes targeted toward people with Alzheimer's disease until 2019. The moratorium does not restrict DHHS from moving the license from an existing facility to a new owner. It also allows for the HHS Secretary to issue a license for a unit in a county that's been deemed to be a shortage area. Requires DHHS to submit a report on special care units to be delivered to the JLOC on HHS by March 2019.	
DIVISION OF VOCATIONAL REHABILITATION	DIVISION OF VOCATIONAL REHABILITATION
	Provides \$100,000 in one-time funding to Cleveland Vocational Industries, a program that helps adults learn vocational skills and ready themselves to join the workforce. District represented by Rep. K Hastings, Sen. W Daniel
DIVISION OF MEDICAL ASSISTANCE	DIVISION OF MEDICAL ASSISTANCE
Instructs DHHS to reduce the overall spending on Medicaid by \$30M over the biennium by finding reductions that can include contractual changes, rate reductions, different reimbursement methodologies, clinical policies, etc. These are called "flexibility"	

cuts, in that the Department has the flexibility to take the cuts where it can, but there is no flexibility on the amount.	
Outlines Medicaid eligibility, which is adjusted to meet federal poverty level guidelines and stipulates the delivery of the annual Medicaid report. Codifies the provider application and recredentialing fee required every five years for providers who can accept Medicaid. Provides for the transfer of \$1M per year to the N.C. Office of Administrative Hearings for remediation and other services related to the Medicaid appeals process. Patients who appeal decisions about their care made by Medicaid have recourse to the OAH for appeal. Sets out language for accounting for federal Medicaid receipts, volume purchasing and procurement policies.	
Each year, legislators work with the Office of State Budget and Management to “rebase” Medicaid, that is, revise what the estimate is for the upcoming year’s spending. This year’s rebase adds \$66.7 million of recurring expenses in FY17-18 and \$177.4 million in recurring expenses in FY18-19, this allows for a 5.6 percent enrollment in the first year and 5 percent in the second year, plus anticipated changes in use of services. There’s also a \$62.9 million reduction in one-time expenses in the first year, and a \$64.8 million reduction in FY18-19. These reductions represent federal payments the state receives as part of the ACA which provided additional funding for the State Child Health Insurance Plan (called NC Health Choice). That continues until September 2019. So, those funds are credited to Medicaid for each year of the biennium.	<p><u>No rebase in this year’s budget</u> (https://www.northcarolinahealthnews.org/2018/06/01/n-c-legislators-do-the-budget-boogie/) due to stated enough savings in the 2017-18 program to cover the difference between the budget calculated at the old federal match level of 67.61 percent and the 2019 match level of 67.16 percent.</p>
Transfers \$17.7 million in FY 17-18 and \$18 million in FY 18-19 of funds back to the state from the LME-MCO system to cover risk reserve moneys paid on behalf of Medicaid patients who get their behavioral health care from the LME-MCOs. That care is paid for in a “capitated” flat rate. Some of that money is placed in a reserve to cover unexpected large expenditures.	This provision remains similar, except the amounts that each LME-MCO transfers back to the state differs, even as the total remains the same, at \$18,028,217
	Moves money from LME/MCOs to the Division of Medical Assistance to reflect the fact that Columbus County has moved from Eastpointe to Trillium. No net change in funding.

<p>Reduces the rebase for NC Health Choice (the State Children’s Health Insurance Program) by \$44.4 million in FY17-18 and by \$46.9 million in FY18-19, both in one-time savings to the program. This reflects federal receipts that came as a result of the Affordable Care Act and the fact that most Medicaid eligible children have been moved off of Health Choice and onto Medicaid to take advantage of better reimbursements. At the same time, the rebase does increase by \$1.5 million in FY17-18 and by \$3.9 million in FY18-19 in recurring funds. In sum, the expected total appropriation for Health Choice will be \$459,248 in FY17-18 and \$396,409 in FY18-19 because almost all of the children will be off of the program (these moves account for much of the increased Medicaid rebase).</p>	<p>Health Choice rebase set at \$2,823,341 in recurring state dollars and \$313,635 in one-time dollars. This reflects movement of most children from the program onto Medicaid (see 2017 entry)</p>
<p>Requires DHHS to issue annual Medicaid cards and then requires DHHS to update rules to reflect that. One of the rules that will change in the coming year is the replacement of social security numbers on Medicaid cards with a unique ID number, which is a federal requirement.</p>	
<p>Provides language to allow a person who receives services from an LME-MCO outside of his or her home county to easily have that service billed to their home LME-MCO. Prior to this language, patients had to travel “home” to receive services.</p>	
<p>Adds 400 slots to the Medicaid Innovations waivers that support adults with intellectual and developmental disabilities, costing \$2.58 million in FY17-18 and \$5.1 million in FY18-19.</p>	<p>Designates \$125,000 in recurring funds to the NC Association of People Supporting Employment First to develop and roll out training programs to help create supported employment for people with serious mental illness, intellectual or developmental disabilities. The Department of Health and Human Services is to make these training programs available statewide to employers, service providers in LME/MCOs, etc.</p>

<p>Stipulates that money in the Medicaid Contingency Reserve (established in the 2014 budget bill) should only be used for Medicaid shortfalls. Sets out procedures for determining how to appropriate those funds when they occur.</p>	
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Provides \$1.5 million in one-time funding in FY 17-18 and \$2.24 million in FY 18-19 for programming changes in NC Tracks, which is the Medicaid claims support and payment system. This will enable DHHS to make changes to the computer system such as clinical policy changes, and to make claims payment more efficient.	
Orders enhancements to NC Tracks to prevent and detect fraud, waste and abuse. Any new capability for fraud detection should be made in the computer program within five months after the budget passes.	
Designates a rate increase for workers providing personal care services for people eligible for Medicaid services. (This increase was included in the rebase, above.) The services include things such as help with bathing, dressing, eating, toileting, etc. The rate will go from \$15.52/hour to \$15.60/hour, costing an additional \$1.3 million in FY17-18 and \$2.7 million in FY18-19. Also in the rebase is an assumption of an increase in the number of hours between 7-10 percent. This increase is effective January 2018.	
Orders DHHS to report to the JLOC of Medicaid and Health Choice on a plan for adding Medicaid coverage for ambulance transports of behavioral health crisis patients who are eligible for Medicaid away from emergency rooms and to more appropriate clinics or facilities. Plan is due by December 2017.	Instructs DHHS to submit a waiver/ state plan amendment to the federal Centers for Medicare and Medicaid Services in order to receive Medicaid reimbursement for behavioral health crisis patients who are being transported to mental health facilities (not emergency departments). Lays out several contingencies (EMS has to demonstrate readiness, EMS system includes this in it's state plan). Also requires DHHS to calculate expected costs, needs, reimbursement methodology, expected outcomes and savings, etc.
	Provides for extra Medicaid reimbursement for 60 more physicians deemed eligible for the salary increase because they work in state backed faculty practices, such as UNC Health Care or ECU School of Medicine at a total cost of \$3.2M, transferred from UNC and ECU to

	cover the costs. Orders DHHS to report to the legislature the allocation and distribution of these additional physicians receiving supplemental payment by Oct 2018. The last time the legislature added to this list was in 2014, this requires an adjustment to the Medicaid State Plan.
The budget reinstates \$30 million in annual funding to maintain or continue graduate medical education payments, which are added onto inpatient hospital Medicaid payments. Medical interns and residents provide care to Medicaid patients even as they are being trained to become physicians and while it costs money to support them, they cost less than fully qualified and credentialed doctors.	Mandates risk assessment of all the providers who are billing Medicaid or Health Choice. DHHS is to screen all new applications for physicians looking to be able to bill Medicaid and assessing them as “limited” risk, “moderate” risk or “high risk.” This section already exists in statute, but changes some of the designations, for example, for outpatient behavioral health service providers from high risk to limited risk.
States that it is the intent of the General Assembly to continue to fund graduate medical education, even as the Medicaid program transforms from fee-for-service to managed care. Orders a report by Jan 2018 on forecasted requirements for the graduate medical education budget, what are forecasts for Medicaid and what actions DHHS might be taking to keep Medicaid within budget.	
Authorizes supervised preceptorship programs for chiropractic students and requires that students graduating from chiropractic programs meet accreditation requirements. Also requires that chiropractic assistants obtain a Certificate of Competency from the Chiropractic Board within 6 months of starting employment.	
Makes technical and clarifying changes to facilitate the Medicaid transformation process. Stipulates services covered: Medicaid and Health Choice services, prescription drugs, long-term services and supports, behavioral services for Health Choice recipients. Also notes carve-outs from managed care, including: services documented in an Individualised Education Program provided by an educational agency and services directed by the CDSAs	Appropriates \$60 million from the Medicaid Transformation Fund to provide for the needs of staffing up/ IT/ ombudsman program/ provider credentialing, etc. in the runup to rolling out managed care in Medicaid. Allows for funds transfer of up to \$192 million in spending to facilitate the transformation of Medicaid. Funds may be transferred as needed through the 2018-19 fiscal year.
Adds language to the Medicaid rules to add additional eligibility monitoring for Medicaid recipients, requiring them to present qualifying information every quarter. This kind of documentation includes earned and unearned income, employment records,	

residency status, enrollment status in other state programs, death records, lottery winnings, etc.	
	Provides \$103,784 in state dollars plus the federal matching funds (\$207,568) to fund 4 positions to perform oversight and monitoring of a county eligibility audit contract. Positions to start in Jan. 2019.
Orders DHHS to issue a report every March that details whether eligibility determinations by counties is being done in a timely manner. This is in response to a state audit last year showing that many counties were not complying with federal guidelines for how quickly applicants were receiving their Medicaid and other social service benefit eligibility determinations. Originally, it was only a two-year report, but now will be ongoing.	Orders DHHS to issue a report every March that details whether eligibility determinations by counties is being done in a timely manner. This is in response to a state audit last year showing that many counties were not complying with federal guidelines for how quickly applicants were receiving their Medicaid and other social service benefit eligibility determinations. Originally, it was only a two-year report, but now will be every three years, at least, for each county.
Adds language from SB 546, which sets out a process for taking over a county social service department where Medicaid and other benefits eligibility determinations are too slow and not meeting state and federal timeliness guidelines. The Act would allow for DHHS to take over a county social service agency, implement a corrective action plan, and assume Medicaid eligibility administration until the county department can resume the services.	Adds to this earlier language, language requiring that audits be performed on any county that has been taken over annually until the county/DHHS's joint corrective action plan is completed. https://www.northcarolinahealthnews.org/2018/05/18/dhhs-takeover-child-welfare-cherokee-county/ Also requires an annual report of the number of counties audited, and their statuses.
	Provides \$256,802 in ongoing state dollars and the \$800,000 in matching federal dollars to implement a contract (starting Jan, 2019) to audit county eligibility processes every 3 years. Counties with a corrective action plan will be audited annually until deficiencies are resolved.

Sometimes, when a resident enters long term care, they are not yet eligible for state-county special assistance. This extends the retroactive authorization period for SA from 10 days to 30 days, increasing the annual expenditure by \$1.4 million in annual funds in	
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FY17-18 and by \$1.45 million in annual funds in FY18-19.	
Requires DHHS to study the PACE program, similar to the study ordered in 2014, and requires an update to that info. Also orders an assessment of the state's long-term needs for addressing the aging population and an evaluation on state regulations on PACE providers. The programs have been restricted in their ability to expand, and there's been a moratorium on the development of new PACE programs.	Requires DHHS to submit it's study of expanding the PACE program by Dec, 2018 and report on: at least three plans for expansion, calculating the fiscal impact, the impact to underserved populations, analysis of potential care delivery options, analysis of potential savings, and other options for expansion.
Makes technical amendments to the new rules that will apply to new Medicaid "prepaid health plans."	
Sets forth language permitting the suspension of payment to Medicaid providers who may have been overpaid. Also allows the state Medicaid program to recoup overpayment by withholding further payment and makes technical changes to make this happen. Also makes changes to the review process for prepaying Medicaid claims.	Orders DHHS to evaluate the management needs of the newly configured Division of Health Benefits, which will manage the Medicaid program once it converts to managed care. Any recommendations should include a transition plan that has a timeline in it.
Allows the new Division of Health Benefits to receive federal matching funds and prevents them from being moved to any other division of DHHS. The DHB will manage the Medicaid program once it is run by outside managed care companies after approval by federal regulators.	Orders a forecast for Medicaid transformation as mandated in the 2015 law that ordered the conversion of Medicaid from fee-for-service to managed care. The forecast should include an annual budget with anticipated requirements, receipts and appropriations for each of the fiscal years, along with forecasted enrollment, forecasted claims costs, capitation rates, changes to utilization, changes to the federal matching rate, etc. and anticipated infrastructure to run the Division of Health Benefits.

Exempts employees from the Division of Health Benefits (which will	Orders DHHS to "clarify the scope of authority" to define Medicaid program eligibility. Presumably, this is to prevent the executive branch from attempting to unilaterally expand Medicaid benefits beyond where they are at present. Also orders plan for winding
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managed the Medicaid managed care program) from the state Human Resources Act.

down the work of the Division of Medical Assistance and launching the work of the Division of Health Benefits. Sets out that the General Assembly will be the body to determine eligibility, etc, for Medicaid and will be the body to define the goals of the program.

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About Rose Hoban

Rose Hoban is the founder and editor of NC Health News, as well as being the state government reporter.

Hoban has been a registered nurse since 1992, but transitioned to journalism after earning degrees public health policy and journalism. She's reported on science, health, policy and research in NC since 2005. Contact: editor at [northcarolinahealthnews.org](mailto:editor@northcarolinahealthnews.org)